

NEW HAMPSHIRE STATE LIQUOR COMMISSION

MINUTES OF MEETING – NOVEMBER 14, 2002

PRESENT: Chairman John Byrne and Commissioners Anthony Maiola and Patricia Russell; John Bunnell, Administrator of Marketing & Sales; Craig Bulkley, Bureau Chief of Administrative Services; Peter Engel, Director of Store Operations; Howard Roundy, Director of Information Technology; Nicole Horton, Wine Marketing Specialist; George Tsiopras, Chief Accountant; Al Picconi, United Beverages, Inc.; Michael Goclowski, Law Warehouse

EXCUSED: Richard Gerrish, Spirits Marketing Specialist

I. FINANCIAL & ADMINISTRATIVE REPORTS

1. Financial Reports

A. Weekly, Y-T-D Sales Reports:

The SA1000 report for the week ending November 12, 2002 shows retail sales were up over the same week last year by almost 3.6%, on-premise sales were down 6.7%, off-premise sales were also down 8.05%, and total aggregate sales were up .84%. The traffic count showed an increase of 520 over last year, while the average sale was up \$.07.

The W-1 Total Weekly Sales Report for last week confirms that total aggregate sales increased by .84% or \$53,761 for the week, as they did for the year by almost 5.6% or \$6,924,262. Wine sales for the week were up .46% or \$14,113, and were also up about 10.2% or \$5,403,341 for the year. Sales of spirits rose to about 1.2% or \$39,648, and increased year-to-date by 2.15% or \$1,525,558.

B. Budget Reports:

A review of the latest Outstanding Depletions and Post-Offs as of November 12, 2002 shows only one broker in arrears, which will be followed up on.

Chairman Byrne asked for a memo to be presented as an item at next week's meeting requesting a change in inventory time from the last week in April to the last week in March.

The HVAC request for proposal for stores and Commission headquarters is now complete. The former contract with Ameresco was for \$98,000. Johnson Controls is asking \$76,000, with Therma Stor handling any repairs. This item should be on the Governor & Council agenda for December 18th.

There was one item concerning a change in bank facilities on this week's Governor & Council agenda. It was approved with no questions.

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Craig and George met with Joe Bouchard from Administrative Services and Peter Yao from the Governor's transition team. They asked for general information about the Commission and invited suggestions for new revenue ideas.

There was a meeting this past Tuesday for the purpose of working in-house on the gift card process. Once more information is received from the winning vendor, another meeting will be scheduled.

George, Howard and Craig attended a meeting of the credit card committee to select a vendor. The paperwork will be sent over to the Attorney General's Office for approval.

Work is continuing on a project to streamline the credit process in Accounts Receivable which would cut down on the delay time in approving credits. The cost for 100 credit checks per year will be about \$1,200.00. This item will be presented to the Commission for approval.

The W-6 Expense Budget Activity Variance Report shows targeted expenses to be 36.99% as of November 12, 2002, with actual agency expenditures to be at 36.92%. The only issue at this point is with Class 70 In-State Travel which concerns mostly Enforcement, and a meeting will be held with them regarding this. The majority of the expenses have been the result of equipping new vehicles.

The workmen's comp report, which shows an increase of around 3% over the previous report, will be forwarded to the Commission.

2. IT Report

There were some flaws found in the setup upstairs, but this was corrected by 9:00 a.m.

Howard learned at last week's meeting with Unisys that by the end of the year they will have the technology in place to do automated targeted e-mails.

Howard reminded everyone that next week at this time furniture will be removed and new furniture installed upstairs. Chairman Byrne asked that this be closely monitored.

II. MARKETING & SALES REPORTS

1. Store Operations

According to the current W-8 Sales Analysis by Location report, store sales were up \$229,068.17 or 4.92%. Both Store #52 Gorham and #5 Berlin experienced significant increases due to the recent wine tasting.

There will be Supervisors' Meeting from 10:00 a.m. to 1:00 p.m. next Tuesday, November 19th here at headquarters in the first floor conference room.

Next Monday, November 18th, photographers will be here to take pictures for the 2002 Annual Report.

There are problems regarding being able to get enough nips on racks for the holiday season. Tom Smith has developed a new rack with added concealed storage space and two shelves. The plan is to send these shelves to the ten major stores. The old ones can be removed and transferred to smaller stores. The directive as to what will be placed on the racks will come from the Commission.

A meeting will be held at the Town Hall in Bedford next Monday at 10:00 a.m. regarding the relocation of the Bedford store, which will hopefully give a clearer picture of where everything stands. Relocation of Store #41 Seabrook will be going through the planning board process, and it looks as if it will be late winter or early spring of next year before it is completed. The planned Warner location is still a flat piece of land with some excavation at this point.

2. Warehouse Report

John Bunnell recommended not reporting on the Concord warehouse status every week, but only if there is something significant. The Commission will still continue to receive this report.

3. Purchasing Report

The current out-of-stock report indicates everything to be in fairly good shape at this time. There are a group of Penfold wines which are not available. Considering the longshoremen strike, Australian wines are in adequate supply.

4. Merchandising Report

A. SPIRITS:

1) Special Offer for January 2003 (United Beverages, Inc.):

It was moved by Commissioner Maiola, seconded by Commissioner Russell, that the Commission approve a special offer from United Beverages, Inc., based upon depletion of one (1) spirit item, without matching funds, to be

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featured on sale during January 2003, as recommended by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

2) Tabled Items:

- a. Size Extension Request (Romana Black Sambuca Liqueur – tabled from 11/7/02, Item A-3):

It was moved by Commissioner Maiola, seconded by Commissioner Russell, that the Commission remove from the table and approve a request from United Beverages, Inc. to list Romana Black Sambuca Liqueur in the 50ML size (assigned four-digit Code #5209), as recommended by Richard Gerrish, Spirits Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

B. WINES:

- 1) Recommended Allocated and Restricted Wines for Distribution to Selected Stores (4 items):

It was moved by Commissioner Maiola, seconded by Commissioner Russell, that the Commission approve four (4) wine items to be designated as allocated and restricted for distribution to selected stores, as recommended by Nicole Horton, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

- 2) Primary Source Submissions (1 item – primary source; 13 items – exclusive agent; 24 items – imported):

It was moved by Commissioner Maiola, seconded by Commissioner Russell, that the Commission approve the listing of one (1) wine item which is from primary source; thirteen (13) wine items which are not from primary source, but are offered by the exclusive marketing agent; and twenty-four (24) wine items which are not from primary source, but are imported, as recommended by Nicole Horton, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

III. ENFORCEMENT & LICENSING REPORTS

IV. CHAIRMAN'S REPORT & LATE ITEMS

1. Bailment Requests:

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It was moved by Commissioner Maiola, seconded by Commissioner Russell, that the Commission approve previously reviewed requests for bailment releases/transfers dated November 8 through November 14, 2002. The motion was unanimously adopted.

2. Coupon Approvals: None.

3. Late Items:

a. Additional Items for December Holiday Sale:

It was moved by Commissioner Maiola, seconded by Commissioner Russell, that the Commission approve eight (8) additional wine items from Horizon Beverage Company to be featured during the December Holiday Sale, scheduled from Thursday, December 12 through Thursday, January 2, 2003, as recommended by Nicole Horton, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

b. Tabled Items From 11/7/02 Commission Meeting:

It was moved by Commissioner Maiola, seconded by Commissioner Russell, that the Commission remove from the table and approve a change from full distribution to specialty status for Code #5844, Imoya VSOP Brandy, 750ML size, as recommended by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

It was further moved by Commissioner Maiola, seconded by Commissioner Russell, that the Commission remove from the table and approve the delisting of Code #3660, UK5 Organic Vodka, 750ML size, as recommended by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

John W. Byrne, Chairman

Anthony C. Maiola, Commissioner

Patricia T. Russell, Commissioner

/D. Hartford

